

(revised 12/12/00 p.m.)

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company**

**Response to:**

**Illinois Commerce Commission**

**Ill. C. C. Docket Nos. 00-0620 and 00-0621 Consolidated  
Second Data Request**

**Company's Supplemental Response**

- DLS-11      Q.      Please provide the cost basis for the \$1 per Account Charge, using detailed per hour labor costs, activities, and staff time. Why has the Account Charge been reduced to \$1 per account over the life of the Customer Select Program?
- A.      The attached exhibit, listing ongoing costs as shown in Exhibit AEH-6, more extensively responds to data requests, DLS-9, 10 and 11. The exhibit specifies where the costs are incurred by department. As shown, the Group Charge costs are \$31,000, which compares to the annual revenue shown on Exhibit AEH-7 of \$31,200. The Group Additions costs of \$201,000 compares to a 5-year (2001-2005) average of annual revenue of \$191,000. The annual ongoing costs related to the accounts participating in *Customer Select* are estimated at \$2,303,000. In addition, the capital costs of \$8,771,000 are related to accounts which would be reflected by the 5-year average of carrying costs of \$2,111,400, as shown on Exhibit AEH-7. The total ongoing account costs are estimated to be \$4,414,400 over the 5-year period of 2001 to 2005. This dollar amount divided by the average number of annual bills issued for the same time period (5,035,000), equates to an account charge of \$0.88 per month. Including unrecovered and unassigned costs in the account charge would raise the account charge to \$1.06 per month.

Company Witness:    Albert E. Harms

**OFFICIAL FILE**  
I.C.C. DOCKET NO. 00-0620/0621  
**STAFF CROSS** Exhibit No. 3

Witness \_\_\_\_\_  
Date 3/1/01 Reporter CB

| Department/Activity                   | Customer Select On-going Program Costs (\$000) |                 |                 |               |                 |
|---------------------------------------|------------------------------------------------|-----------------|-----------------|---------------|-----------------|
|                                       | Group Charge                                   | Group Additions | Account Charge  | Unassigned    | Total           |
| <b>Communications/Marketing</b>       |                                                |                 |                 |               |                 |
| Radio, Print and Outdoor Adv.         | \$ -                                           | \$ -            | \$ -            | \$ -          | \$ -            |
| Direct Mail                           | -                                              | -               | 44              | 44            | 88              |
| PR Agency Fees                        | -                                              | -               | -               | -             | -               |
| Creative Development                  | -                                              | -               | 50              | 50            | 100             |
| Energy Spotlight Issues (2)           | -                                              | -               | -               | -             | -               |
| Fact Sheet Reprints                   | -                                              | -               | -               | -             | -               |
| Web Sight Design                      | -                                              | -               | -               | 30            | 30              |
| Other Services                        | -                                              | -               | -               | -             | -               |
| <b>Total Communications/Marketing</b> | <b>\$ -</b>                                    | <b>\$ -</b>     | <b>\$ 94</b>    | <b>\$ 124</b> | <b>\$ 218</b>   |
| <b>Customer Inquiry Center</b>        |                                                |                 |                 |               |                 |
| Telephone Calls                       | \$ -                                           | \$ 143          | \$ 563          | \$ -          | \$ 706          |
| Correspondence                        | -                                              | 10              | 6               | -             | 16              |
| Training                              | -                                              | -               | -               | -             | -               |
| Administration                        | -                                              | -               | 80              | -             | 80              |
| <b>Total CIC</b>                      | <b>\$ -</b>                                    | <b>\$ 153</b>   | <b>\$ 649</b>   | <b>\$ -</b>   | <b>\$ 802</b>   |
| <b>Gas Transportation</b>             |                                                |                 |                 |               |                 |
| Billing Services                      | \$ 22                                          | \$ 48           | \$ 210          | \$ -          | \$ 280          |
| Additional Billings (2 per Yr.)       | -                                              | -               | 262             | -             | 262             |
| Transportation Call Center            | -                                              | -               | 20              | -             | 20              |
| Postage-Acceptance Letters            | -                                              | -               | 60              | -             | 60              |
| <b>Total Gas Transportation</b>       | <b>\$ 22</b>                                   | <b>\$ 48</b>    | <b>\$ 552</b>   | <b>\$ -</b>   | <b>\$ 622</b>   |
| <b>Community Relations</b>            | <b>\$ -</b>                                    | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ 40</b>  | <b>\$ 40</b>    |
| <b>Government Relations</b>           | <b>\$ -</b>                                    | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ 10</b>  | <b>\$ 10</b>    |
| <b>Information Services (CCISP)</b>   |                                                |                 |                 |               |                 |
| Development Costs                     | \$ -                                           | \$ -            | \$ -            | \$ -          | \$ -            |
| Project Management & Admin.           | -                                              | -               | -               | -             | -               |
| Hardware and Software                 | -                                              | -               | -               | -             | -               |
| QA & Application Architects           | -                                              | -               | -               | -             | -               |
| Workload Admin.                       | -                                              | -               | -               | -             | -               |
| System Testing Group                  | -                                              | -               | -               | -             | -               |
| Capital Contingency                   | -                                              | -               | -               | -             | -               |
| Yearly Maintenance                    | -                                              | -               | 658             | -             | 658             |
| <b>Total Information Services</b>     | <b>\$ -</b>                                    | <b>\$ -</b>     | <b>\$ 658</b>   | <b>\$ -</b>   | <b>\$ 658</b>   |
| <b>Implementation Team</b>            | <b>\$ 9</b>                                    | <b>\$ -</b>     | <b>\$ 50</b>    | <b>\$ 141</b> | <b>\$ 200</b>   |
| <b>Legal Fees</b>                     | <b>\$ -</b>                                    | <b>\$ -</b>     | <b>\$ 300</b>   | <b>\$ -</b>   | <b>\$ 300</b>   |
| Investigation                         | -                                              | -               | -               | -             | -               |
| <b>Total Legal Fees</b>               | <b>\$ -</b>                                    | <b>\$ -</b>     | <b>\$ 300</b>   | <b>\$ -</b>   | <b>\$ 300</b>   |
| <b>Auditing</b>                       | <b>\$ -</b>                                    | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ 80</b>  | <b>\$ 80</b>    |
| <b>Finance</b>                        | <b>\$ -</b>                                    | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ 40</b>  | <b>\$ 40</b>    |
| <b>Total Program Costs</b>            | <b>\$ 31</b>                                   | <b>\$ 201</b>   | <b>\$ 2,303</b> | <b>\$ 435</b> | <b>\$ 2,970</b> |
| <b>Excluding Carrying Costs</b>       |                                                |                 |                 |               |                 |